

Executive Summary Report

Appraisal Date 1/1/07 - 2007 Assessment Roll

Specialty Name: Major Office Buildings

Previous Physical Inspection: April/May/June 2006

Sales - Improved Summary:

Number of Sales: 33

Range of Sale Dates: 6/29/04 to 10/12/06

Sales – Ratio Study Summary:

	Average AV	Average Sale Price	Ratio	COV *
2006 Value	\$ 61,344,000	\$ 78,395,700	78.2%	19.34%
2007 Value	\$ 72,559,300	\$ 78,395,700	92.6%	13.77%
Change	\$ 11,215,300		+ 14.4%	-5.57%
%Change	+ 18.3%		+ 18.4%	-28.8%

*COV is a measure of uniformity, the lower the number the better the uniformity.

Sales used in Analysis: All improved sales that were verified as good that included land, and were not leased back to the seller, and have not been renovated, segregated or merged since being purchased, were included in the analysis.

The Ratio Study Summary indicates a weighted mean ratio that is within the IAAO recommended standards. All other performance measures are also within IAAO guidelines.

Population - Average Improved Parcel Summary Data:

	Land	Imps	Total
2006 Value:	\$5,639,913	\$32,610,007	\$38,249,920
2007 Value:	\$7,242,473	\$39,346,298	\$46,588,771
Percent Change:	+ 28.41%	+ 20.66 %	+ 21.80 %

2006 Total Assessed Value: \$10,442,228,119

2007 Total Assessed Value: \$12,718,734,500

Number of Improved Parcels in the Ratio Study Population: 202

Conclusion and Recommendation:

The values recommended in this report improve values and achieve better uniformity; therefore it is recommended that they should be posted for the 2007 Assessment Year.

Analysis Process

Responsible Appraiser

The following appraiser did the valuation of this specialty:

- Dan Margonelli Appraiser II

Highest and Best Use Analysis

As if vacant: Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as commercial use. Any opinion not consistent with this is specifically noted in the records and considered in the valuation of the specific parcel

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. The current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a token value of \$1,000 is assigned to the improvements and the property is returned to the geographical appraiser.

Standards and Measurement of Data Accuracy: Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary by field inspection, review of plans, marketing information, and rent rolls when available.

Special Assumptions, Departures and Limiting Conditions

All three approaches to value were considered in this analysis.

The following Departmental guidelines were considered and adhered to:

- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of a minimum of three years of market information without adjustment for time averaged any net changes over that time period.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Specialty Area 280: Major Office Buildings

This report contains data pertinent to the revalue of major office buildings (100,000 square feet of net rentable area and above). Net rentable area as utilized here is typically described as gross building area less vertical penetrations. The office specialty properties are found throughout King County, with significant concentrations located in Downtown Seattle and Downtown Bellevue. Additionally, larger suburban office buildings are found in many jurisdictions of the County. All major office specialty properties were revalued this year. Included in the addendum of this report is a list of the parcels physically inspected for the 2007 assessment year.

Boundaries:

All of King County

Maps:

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

For purposes of the 2007 revaluation of the office-building specialty, the population has been segmented into six regions. These regions are generally described by their geographic location with the exception of one, which is described by its primary use. The following is a brief description of each of these market segments.

North

This region represents a small portion of the total specialty. The largest concentrations of buildings in this segment are located in the Northgate and University Districts.

In September 2006 the Safeco properties located in the U-District were sold to the University of Washington. The office properties will be leased back to Safeco prior to Safeco's relocation to the Seattle CBD.

Seattle Central Business District (Seattle CBD)

The office specialty is predominately comprised of properties located in this region. Approximately 45% of the office specialty population is located here. The Seattle CBD geographic boundaries are loosely described for purposes of this analysis as extending

from Lower Queen Anne on the north to the Safeco Field on the south, from Puget Sound on the west to Interstate 5 on the east.

Construction of the 42-story Washington Mutual Center was completed in 2006. This added 943,000 square feet of office Space to the CBD. In South Lake Union, construction continues on the 323,000 square foot Group Health headquarters, also called the Westlake/Terry Buildings. Ground was broken for the 2201 Westlake project which will include a 12-story office tower with 300,000 square feet of office and a 19-story residential tower. On the waterfront, construction began on the 333 Elliott Building, a 5-story, 132,000 square foot office building that is pre-leased.

In early 2007, construction of two speculative downtown office projects will begin. The 14-story, 818 Stewart Building will have 235,000 square foot and the 28-story West 8th Building will have approximately 510,000 square foot.

Bellevue Central Business District (Bellevue CBD)

This region, while comprised of a smaller number of properties, is considered to be the second most significant area of the office specialty regions. It is comprised of mid and high-rise office buildings in the Bellevue CBD as well as two Mercer Island mid-rise office buildings.

Currently, construction is near completion on the 27-story Lincoln Square Office Tower. This property is 100% pre-leased to Microsoft and Eddie Bauer. It is projected to be complete by mid-2007. Three other office projects are underway in the Bellevue CBD. They include The Bravern I and II with two office towers having 248,000 and 497,000 square feet (this project will also have a large retail podium with Marcus Niemen as the anchor tenant), Tower 333 with 400,000 square feet, and City Center Plaza with 572,000 square feet. The Bravern office buildings have been pre-leased to Microsoft.

Suburban Eastside

This region includes properties outside of the Bellevue CBD, on the East Side of Lake Washington. This analysis considers properties from the I-90 corridor, Kirkland, Redmond, Bothell, Issaquah and Suburban Bellevue to comprise the Suburban Eastside. At present, while this region has a large geographic expanse, it has fewer large office buildings.

Currently, the Advanta Office Commons @ 1-90 is being built in three phases. The three, 7-story buildings with a total of 575,000 square foot are pre-leased to Microsoft.

Southend

Properties located within the South Seattle, Renton, Tukwila, Kent, SeaTac, Auburn and Federal Way areas generally describe this region. Weyerhaeuser is the predominant property owner in the Federal Way area. Recent new construction includes the U.S. Department of Homeland Security Building in Tukwila. This mid-rise building was completed in 2004 and has a rentable area of 132,900 square feet. Renovation of the

Landmark East and West Office Buildings in Renton was recently completed. The office buildings have a rentable area of 274,000 square feet.

Medical Office Buildings

These are analyzed independent of the remainder of the specialty as medical/dental office buildings. They typically have a significantly different construction cost, and income and expense profile. The properties in this category are generally located on First Hill and the University District, with one MOB in Downtown Seattle. Renovation of James Tower portion of the Swedish/Providence Hospital was completed last year. The greater portion of this property is medical office while a smaller portion is lab space. It was added to the office specialty in 2006. It has a rentable area of 307,500 square feet.

Puget Sound Economic Conditions

The regional economy had another strong year in 2006. Employment grew by 4% and is predicted to increase at a steady pace of 2.9 % through 2007, well above the national average, according to Conway & Pedersen's Puget Sound Economic Forecaster.¹

The continued growth in the global economy is very important to this region. The Puget Sound economy is the No. 1 trading region in the nation when measured by foreign exports per capital. Locally, Boeing and Microsoft are two of the companies benefiting from the strong world economy and the weak dollar. Boeing had its second year of record orders for airplanes and will hire 7,000 to 10,000 new employees in 2007. Microsoft hired 4,000 new employees in 2006 and is expected to hire 2,000 more employees in each of the next two years. Biotechnology, professional services supporting international trade, and global philanthropy organizations are new growth industries that support international trade and the continued strength of the Puget Sound economy.² These industries plus the steady growth in the information and financial sectors are creating a strong demand for office space throughout the regional office market.

According to Cushman & Wakefield's Greater Puget Sound Statistical Summary the year-end office overall vacancy for the region was 10.5% at the end of 2006, down from 12.3 % at the end of 2005 (this includes class A, B, and C buildings in all sub-markets). The positive net absorption for the year was 2,079,255 square feet. Class A office space had a positive absorption of 1,191,636 square feet. The strongest performing sub-markets for Class A space continued to be the Bellevue CBD, Eastside Suburban, and the Seattle CBD. Class A office in Downtown Seattle had a positive absorption of 891,464 square feet or slightly less than the 988,664 square feet at the end of 2005.

¹ CBRE, Puget Sound Office Market view, 4Q 2006

² Enterprise Seattle Economic Forecaster, supplement to the Puget Sound Business Journal, January 19-25, 2007

Class B office in the Puget Sound Region had strong positive absorption of 733,915 square feet as compared to 306,755 square feet at the end of 2005. Most of the Class B buildings in the office specialty are located in the Seattle CBD and Downtown sub-markets. All of these sub-markets had positive absorption in 2006. The reduced inventory of Class A office space and higher lease rates are attracting tenants to Class B space.³

In 2006, the Seattle Office market appears to have made the transition from a recovery cycle to an accelerating or expansion market. Seattle has become a landlords' market and with lower vacancy and substantially higher asking lease rates, developers have begun construction of new office projects.

Direct average Class A rental rates are estimated to have increased by close to 16% in the Downtown Seattle market with a yearly gain of \$4.01 per square foot to end the year at \$28.46 PSF. Rent concessions appear to have gone away, view space in the A+ high-rises is very limited, and large tenants looking for contiguous space in high-rises have limited options.⁴

The Bellevue CBD and the Eastside Suburban market continues to be in an accelerating or expansion market with asking rents rising substantially throughout the submarkets. According to Officespace.com, average full service asking rental rates for Class A+ office space in the Bellevue CBD increased to \$32.69 per square foot at the end of 2006 compared to \$28.89 per square foot at the end of 2005. The lower tier of Class A offices saw asking lease rates increase to \$26.44 per square foot from \$23.60 per square foot at the end of 2005. The 1-90 Class A office, full service asking rate increased from \$23.63 per square foot at the end of 2005 to \$26.67 per square foot at the end of 2006.⁵ Colliers International states that the Eastside Suburban office market showed the greatest percentage increase of the 54 suburban markets that it tracks.⁶

In the first quarter of 2007 the Equity Office Properties in Seattle, Bellevue, and the 1-90 Corridor underwent a series of ownership changes. Also, Microsoft Corporation pre-leased 1.3 million square feet of new construction, office space in the two Bravern Office Buildings in the Bellevue CBD and the three Advanta Office Buildings in the 1-90 Corridor. These office building transactions and the large leases have been strong factors in the sharp acceleration of Eastside office rents that has occurred since the 1/01/2007 valuation date. The supply of quality office space has become more limited and new landlords are hoping to gain from their investments.

³ Cushman & Wakefield Greater Puget Sound Statistical Summary, 4th G 2006

⁴ CBRE Puget Sound Office Market View, 4th Q 2006

⁵ Officespace.com, historical office market statistics

⁶ "Puget Sound Has Top Rent Growth" Daily Journal of Commerce, Feb. 7, 2007

The South County office market remains in a recovery cycle with direct vacancy still high in some submarkets, however there have been moderate decreases in vacancy in most submarkets and moderate increases in asking lease rates. With the growing gap between office lease rates in Seattle/Eastside and the South County market, some large office users may take a closer look at the South King County office market.

Preliminary Ratio Analysis

The inclusion of the Ratio Study Summary is done for administrative consistency. Because of guidelines, and the diversity of the office building types and submarkets the assessor has used three years of sales with actual sales from 6/29/2004 through 10/12/2006. The fact that some of the sales may have higher or lower leases in place than current market rates, results in a final ratio study that may not be considered an entirely reliable analysis of recommended assessed values as compared with market sales. Recommended assessed values are based on market conditions as of January 1, 2007.

The Preliminary Ratio Study was completed just prior to the application of the 2007 recommended values. This study benchmarks the current assessment level using 2006 posted values. The study was also repeated after application of the 2007 recommended values. The results are included in the validation section of this report, showing a change in the level of assessment from 78.2% to 92.6%, the Coefficient of Dispersion (C.O.D.) from 14.67% to 10.45%, the Coefficient of Variation (C.O.V.) from 19.34% to 13.77%. The Price-related Differential (PRD) of 1.02 did not change.

Scope of Data

Land Value Data:

The geographic appraiser in the area in which the specialty office property is located is responsible for the land value used by the office specialty appraiser. See appropriate area reports for land valuation discussion.

Improved Parcel Total Value Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales are verified, if possible, by calling either the purchaser or seller, inquiring in the field, or calling the real estate broker. Characteristic data is verified for all sales, if possible. Due to time constraints, interior inspections were limited. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report.

Improved Parcel Total Values:

Sales comparison approach model description

The office building sales in King County utilized in the analysis for the current revalue was segmented into six market segments. The segmentation was based primarily on the geographic boundaries previously described. In the event a segment lacked adequate sales representation, similarities in other segments were considered and judgment applied in determining market comparability.

In 2006 the Seattle Metropolitan Area office market had a record high number of sale transactions, with sales volume and average price paid per square foot reaching record highs. In 2006 there were 70 transactions with closing prices greater than \$5 million for a total sales volume of over \$2.9 billion.⁷ This compares to a sales volume for 2005 of \$1.13 billion, \$766 million in 2004, \$261 million in 2003, and only \$86 million in 2002.⁸

The strong market trends appear to be continuing in 2007 however these sales were not considered in the 1/01/2007 valuation. The largest transaction was the portfolio purchase of the Equity Office Properties by the private equity firm Blackstone Group in February 2007. In April 2007 Beacon Capital Partners and the Archon Group divided up most of the Seattle/Eastside office properties. These transactions are portfolio sales with an assigned value to the individual office buildings based on the performance of each property.

In 2006, 95% of the office buyers were institutional investors. Five years ago only 50% of the purchases were by investors. The Seattle/Eastside office market has moved from the second tier to the top tier office market according to many commercial real estate sources. The 2006 annual report of the Urban Land Institute and PricewaterhouseCoopers ranked Seattle as the most attractive national office market among the largest 15 metro areas based on their investor survey. The Association of Foreign Investors ranked Seattle fifth of U.S. cities for commercial real estate investment in 2006-7. Marcus & Millichap states that Seattle posted the second-largest gain among the 42 metropolitan markets surveyed; jumping from 12th place to fourth based on projected job growth, office vacancies, rent growth and new construction. RREEF Property Cycle Monitor Mid-Year 2006 predicts that Seattle along with Los Angeles, New York, and Washington DC will be the strongest office market over the next five years as measured by sustained low availability rates. Grubb & Ellis survey of secondary markets ranks downtown Bellevue as the strongest secondary market based on the drop in vacancy and increase in rents over the past year.

⁷ CBRE Real Estate Investment Outlook – 2006 in Review

⁸ Puget Sound Business Journal, “Seattle hits trifecta for commercial sales in 2005” Reynolds Hass – Senior VP of Colliers International Seattle, February 13, 2006

It is evident that there is a large amount of investment capital chasing a finite number of office properties. “Major metropolitan office markets on both coasts are magnets for capital due to their high value assets; dense development pattern, which protects against over-building; and highly productive, highly specialized financial, technology and business service-providing tenants.”⁹ Office space in the Seattle metropolitan area is attractive to institutional investors because of its location as a coastal “24-hour” city that has strong market fundamentals and more competitive lease rates when compared with other top tier coastal cities. Also affecting the market is the relatively low level of new construction in Seattle and the ever increasing cost of new construction. The spec office buildings that have recently broken ground in Seattle are several years away from completion. On the Eastside, Microsoft has recently pre-leased 1.3 million square feet of the 2.3 million square feet of office space that is currently under construction. This will significantly reduce the amount of new office space coming on line in 2008. These factors plus the continued attraction of office real estate as an investment have resulted in a very competitive buyer’s market and the continuing decline of capitalization rates in the Seattle Metropolitan office markets.

In 2006 office specialty properties that sold included a range of types. Included were A+ buildings, average Class A buildings, and renovated or well-located Class B buildings. Increasingly buyers are purchasing institutional grade office buildings and betting on strong income appreciation as many post 9/11 leases are ending. Location within the office market is also touted as a factor by buyers. Note the 2006 sale prices of Market Place I & II, Waterfront Place, and the Seattle Trade Center in the Seattle Waterfront submarket.

Sales to owner-users include the sale of the Safeco properties in the University District to the University of Washington, 83 King Street to Starbucks, and Southgate Office Plaza I & II in Renton to Providence Health Systems.

2006 and early 2007 saw second sales (since the 2001 downturn of the economy) of numerous office properties. In Seattle they include Blanchard Plaza, Waterfront Place, Metropolitan Park North, Seattle Tower, and recently the Exchange Building. In Bellevue, Lincoln Plaza and Civica Office Commons changed ownership again. In the South County market, there were second sales of Creekside at Centerpoint and Centerpoint Corporate Center (Atrium, Cascade East, & Cascade West) in Kent.

Sales comparison calibration

Market sales of office specialty properties that occurred during the period from 6/29/2004 to 10/12/2006 were considered in the analysis. Other market sales of office buildings that were smaller than the office specialty threshold of 100,000 square feet net rentable, were sometimes included in the analysis but not the ratio study (See list of Improvement Sales Used) when the sales were limited for a building type or submarket.

⁹ CBRE, Office Insight Mid Year 2006, Office Capital Market Trends

Even with the high sale activity in 2006, it is felt that there are not enough office market sales of different office types in the various submarkets to rely entirely on the market approach to value. Also, when a sale is confirmed it is not always possible to determine the in-place rents in order to determine how they compare with current market rates.

While the Sales Comparison Approach is given considerable weight, the Income Approach is used in the final reconciliation of value because it allows greater equalization and uniformity of values for the various stratifications of office types.

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the Western Region and the Seattle area. Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property Application. Because of the difficulty in accurately determining the depreciation of older office properties, and the rapidly accelerating land values and construction cost in the current market, this approach to value was given the least weight in the final reconciliation of values.

Cost calibration

The Marshall & Swift cost-modeling system built into the Real Property Application is calibrated to this region and the Seattle area.

Income capitalization approach model description

A direct capitalization income approach estimate was calculated for all properties within the specialty. Due to the significance of the parking income contribution in the Seattle and Bellevue CBD's, and the fact that these parcels comprise the majority of the properties within the specialty, parking income was a necessary component of the direct capitalization process. The inability of the department's income table program to recognize parking stalls as an income generator prohibited the use of income tables in the revaluation of the office specialty. Therefore, no tables were created. Instead three direct capitalization workbooks were created showing each property's income value estimate.

Income approach calibration

The models were calibrated after setting base rents by considering adjustments based on location, size, effective age, construction class and quality. Appraisal judgment was employed in adjusting for differences between individual buildings based on their perceived investment competitiveness in their respective markets. Location, effective age, construction class, quality and size as recorded in the Assessor's records were items considered to be of primary importance in determining a property's investment competitiveness and placement in the appropriate base rent category.

Within each of the six market segments, income parameters were established for economic rent, vacancy and credit loss, expenses, and capitalization rates for various groupings of properties based on their investment competitiveness. Rents, operating expenses, and capitalization rates were collected on sold properties when available. This data was then considered along with surveys conducted by outside resources, along with information gathered from properties available for lease and sale, and utilized to establish general guidelines for neighborhood groupings. A rent survey was conducted to ascertain the income parameters typically reflected in the current office lease market. The information gathered is considered to be indicative of the current office-leasing environment and in most instances, the data reported is based on deals that have been made and are in place or will be in the near future.

According to the CB Richard Ellis Fourth Quarter 2006, Puget Sound Office Market Report vacancy rates, full service asking lease rates and operating expenses reported by brokers for Class A, B and C properties (includes all multi-tenant office buildings 10,000 square feet and greater in size) located in the Canal, Central Business District, Denny Regrade, Lake Union, Lower Queen Anne, Pioneer Square and Waterfront market areas indicate the following:

Submarket	Vacancy Rate: Class A w/sub-lease	Vacancy Rate: Class B w/sub-lease	Vacancy Rate: Class C w/sub-lease	Overall Vacancy Rate Including sub-lease	Overall Vacancy Rate: w/o sub-lease <u>Direct Vacancy*</u>
CBD	11.53%	12.66%	14.42%	11.42%	8.76%
Denny Regrade	8.63%	17.03%	17.37%	10.95%	10.71%
Lake Union	4.69%	6.62%	2.71%	5.05%	4.85%
Lower Queen Anne	7.39%	20.31%	14.03%	10.30%	7.15%
Pioneer Square	6.38%	14.13%	10.18%	9.67%	9.09%
Waterfront	7.49%	18.76%	12.01%	9.86%	6.55%
Canal	3.28%	9.00%	42.83%	5.92%	5.61%

* A direct vacancy rate as opposed to an overall vacancy rate (includes sublease space available) is used in the revaluation analyses

Seattle	<u>Full Service Lease Rates(Asking rates)</u>			<u>Operating Expenses *</u>		
Market Area	Class A	Class B	Class C	Class A	Class B	Class C
Seattle CBD	\$24-\$36	\$22-\$28	\$16-\$24	\$9.50-\$11.50	\$6.00-\$9.00	\$6.00-\$7.00
Denny Regrade	\$22-\$32	\$18-\$26	\$17.50-\$25	\$7.50-\$9.50	\$6.00-\$8.50	\$5.50-\$7.00
Lake Union	\$24-\$30	\$20-\$29	\$18-\$22	\$8.00-\$9.50	\$6.25-\$8.25	\$5.50-\$6.50
Lower Queen Anne	\$21-\$26	\$18-\$24	\$18-\$22	\$7.00-\$9.00	\$6.00-\$7.25	\$5.50-\$6.50
Pioneer Square	\$22-\$26	\$20-\$27	\$18-\$20	\$7.50-\$8.50	\$6.00-\$7.75	\$5.00-\$6.50
Waterfront	\$21-\$32	\$20-\$25	\$18-\$20	\$7.50-\$9.50	\$6.25-\$8.25	\$5.50-\$6.50
Canal	\$22-\$24	\$18-\$21.50	\$17-\$19	\$6.50-\$8.00	\$6-\$7.25	\$5.00-\$6.50
Seattle Downtown	\$21-\$36	\$18-\$26	\$18-\$22	\$6.50-\$11.50	\$6.00-\$9.00	\$5.00-\$7.00

* Operating expenses include property taxes, but do not include leasing commissions or tenant improvements

According to the CB Richard Ellis Fourth Quarter 2006, Puget Sound Office Market Report, vacancy rates, full service asking lease rates and operating expenses reported by brokers for Class A, B and C properties (includes all multi-tenant office buildings 10,000 square feet and greater in size) located in the Bellevue CBD, I-405, SR-520, I-90, Bel-Red Corridor, Kirkland, Redmond market areas indicate the following:

Bellevue & Eastside Submarkets	Vacancy Rate: Class A w/sub-lease	Vacancy Rate: Class B w/sub-lease	Vacancy Rate: Class C w/sub-lease	Overall Vacancy Rate: Including sub-lease	Overall Vacancy Rate: w/o sub-lease <u>Direct Vacancy*</u>
CBD	5.63%	2.28%	8.98%	5.45%	4.11%
I-405	13.65%	13.50%	12.31%	13.53%	11.92%
SR-520	16.41%	8.53%	22.43%	14.72%	12.37%
I-90	6.15%	4.92%	--	6.01%	5.96%
Bel-Red-Road Corridor	6.68%	9.10%	14.68%	9.48%	7.41%
Kirkland	7.20%	2.10%	3.70%	6.59%	6.43%
Redmond	5.69%	8.42%	--	6.05%	5.35%
Eastside (overall)	9.05%	9.46%	16.27%	9.34%	7.85%

* A direct vacancy rate as opposed to an overall vacancy rate (includes sublease space available) is used throughout the revaluation analyses

	<u>Full Service Lease Rates (Asking Rates)</u>			<u>Operating Expenses*</u>		
Market Area	Class A	Class B	Class C	Class A	Class B	Class C
CBD	\$24.00-\$38.00	\$20.00-\$25.00	\$21.00	\$9-\$10.75	\$7.50-\$8	--
I-405	\$21.50-\$28.00	\$20.00-\$28.00	\$20.50-\$22.50	\$7.50-\$9.25	\$6.75-\$7.25	\$6.50-\$7.25
SR-520	\$21.00-\$29.00	\$19.00-\$25.00	\$15.00-\$17.00	\$7.50-\$9.25	\$6.75-\$7.75	\$6.50-\$7.25
I-90	\$21.50-\$33.00	\$24.00-\$28.00	--	\$7.50-\$9.50	\$7.00-\$8.00	--
Bel-Red-Road Corridor	\$26.00	\$18.00-\$24.00	\$17.00-\$24.00	\$6.50-\$7.50	\$6.25-\$7.25	\$5.50-\$7
Kirkland	\$25.00-\$34.50	\$22.00-\$28.00	\$18.75-\$21.00	\$7.50-\$8.75	\$6.50-\$7.00	\$6.25-\$8.00
Redmond	\$22.00-\$28.00	\$19.00-\$24.00	--	\$7.25-\$8.00	\$6.25-\$6.75	--
Total – Eastside	\$18.00-\$38.00	\$18.00-\$28.00	\$15.00-\$24.00	\$6.50-\$10.75	\$6.25-\$8.00	\$5.50-\$8.00

* Operating expenses include property taxes, but do not include leasing commissions or tenant improvements

According to the CB Richard Ellis Fourth Quarter 2006 Puget Sound Office Market Report rates for properties (includes all multi-tenant office buildings 10,000 square feet and greater in size) located in the Auburn, Kent, Renton, Sea-Tac, South Seattle, Tukwila and Federal Way market areas indicate the following:

Submarket South End	Total Vacancy Rate (includes sub-lease) - All lease classes	Direct Asking Lease Rate Class A (full service)	Direct w/sub-lease Asking Lease Rate Class A (full service)
Auburn	7.99%		
Kent	31.45%		
Renton	21.71%		
Sea-Tac	12.38%		
South Seattle	22.80%		
Tukwila	18.77%		
Federal Way	14.16%		
Total South End Vacancy	19.75%	\$21.40	\$21.44

In the “Greater Puget Sound Statistical Summary” for year-end 2006 Cushman & Wakefield breaks out the Direct Vacancy, and the Direct Weighted Average Class A & Class B Rental Rate for the different markets and submarkets.

Market	<u>Direct Vacancy</u> Class A Office	<u>Class A</u> - Direct Wtd. Avg. Lease Rate (FS) (both direct & sublease)	<u>Direct Vacancy</u> Class B Office	<u>Class B</u> - Direct Wtd. Avg. Lease Rate (FS) (both direct & sublease)
KING COUNTY				
SEATTLE CBD	6.5%	\$29.61	8.8%	\$24.01
Financial District	7.4%	\$30.43	8.9%	\$24.84
Denny Regrade	8.8%	\$27.77	11.2%	\$23.52
Pioneer Square/Inter. District	0.8%	\$25.16	7.8%	\$25.21
Lower Queen Anne/ Lake Union	2.8%	\$27.88	7.3%	\$21.62
SEATTLE IN-CITY	5.7%	\$21.66	7.9%	\$21.72
North Seattle/Northgate	5.4%	\$21.03	10.2%	\$21.42
East Seattle/Capital Hill	7.5%	\$24.70	2.3%	\$25.00
BELLEVUE CBD	3.1%	\$29.44	5.3%	\$25.95
EASTSIDE SUBURBAN	3.3%	\$28.32	9.0%	\$27.28
1-90 Corridor	1.7%	\$28.65	7.3%	\$30.31
Redmond	.0%	N/A	12%	\$22.63
Kirkland	6.9%	\$30.72	7.6%	\$25.75
405 Corridor	7.5%	\$26.72	12.2%	\$27.40
520 Corridor	4.2%	\$29.66	8.6%	\$25.76
SOUTHEND	18.6%	\$20.62	25.3%	\$18.73
Seattle Close-in	13.7%	\$17.68	9.5%	\$18.93
Tukwila	18.6%	\$19.72	21.4%	\$17.74
Sea Tac	4.8%	\$24.00	22.2%	\$18.35
Renton	24.2%	\$20.62	21.6%	\$17.21
Kent/Auburn	16.1%	\$21.86	44.8%	\$20.07
FEDERAL WAY	6.5%	\$23.15	27.0%	\$18.61

Officespace.com provides statistics on leased office buildings throughout King County. Submarkets are delineated and broken out into leasing class, number of buildings, direct vacant square feet, vacancy with sublet, future available square feet, and average asking lease rate. This stratification is useful because it also breaks out the A+ office properties in the Seattle CBD and Bellevue CBD.

The information in the following table is the 4th Quarter 2006 statistics from Officespace.com for the Seattle submarkets that was useful in the current revaluation.

Class	# Bldgs	Total Sq. Ft.	Direct Vac. SF	Direct Vac.	Sublease SF	Vac. w/ Sublet	Future Vac.	Av. Lease F.S.
Seattle CBD								
A+	8	7,485,876	136,690	1.83%	115,430	3.37%	127,121	\$32.77
A	52	11,550,638	762,092	6.60%	406,607	10.12%	539,713	\$26.92
B	46	4,018,368	376,070	9.36%	34,346	10.21%	179,859	\$23.79
Denny Regrade								
A	17	2,917,396	267,872	9.18%	9,333	9.59%	159,063	\$28.12
B	32	1,177,198	100,510	8.52%	3,796	8.86%	11,715	\$21.72
Lk.Union, Univ/Ballard								
A	53	3,399,365	81,418	2.40%	70,544	4.53%	14,020	\$25.61
B	80	1,995,432	132,624	6.65%	0	6.65%	91,510	\$20.63
Pioneer Sq.								
A	12	1,415,299	36,840	2.60%	60,894	6.91%	5,800	\$23.23 *
B	38	1,629,665	186,969	11.47%	2,300	11.61%	73,226	\$18.58
Queen Anne								
A	7	670,486	12,527	1.87%	22,134	5.17%	7,258	\$23.71
B	21	737,452	93,807	12.72%	30,279	16.83%	7,849	\$20.06
Waterfront								
A	20	2,087,623	55,431	2.66%	38,987	4.52%	21,917	\$29.26
B	23	1,642,826	94,186	5.73%	9,900	6.34%	38,845	\$19.46
Northgate/ North Sea.								
A	11	487,960	43,628	8.94%	9,002	10.79%	14,664	\$24.89
B	30	937,296	87,700	9.37%	16,671	11.13%	9,647	\$20.80
Cap./First Hill								
A	9	693,045	44,386	6.40%	0	6.40%	93	\$36.72
B	26	584,223	30,009	5.14%	0	5.14%	12,372	\$26.98

* Pioneer Square average Class A lease rate does not include higher lease rates of the 605, 625, & 705 Union Station Office Bldgs. that did not report min/max lease rates

The information in the following table was the 4th Quarter 2006 statistics from Officespace.com for the Bellevue CBD and I-90 submarkets that was useful in the current revaluation.

Class	# Bldgs	Total Sq. Ft.	Direct Vac. SF	Direct Vac.	Sublease SF	Vac. w/ Sublet	Future Vac.	Av. Lease Rate (FS)
Bellevue CBD								
A+	8	2,632,533	38,194	1.45%	31,016	2.63%	38,857	\$32.69
A	24	3,197,887	105,932	3.31%	85,887	6.00%	33,463	\$26.44
B	20	516,509	22,737	4.40%	0	4.40%	8,339	\$22.92
I-90								
A	84	5,538,101	212,982	3.85%	10,825	4.04%	81,388	\$26.67
B	33	833,891	50,357	6.04%	26,577	9.23%	5,009	\$25.04

Corporate Real Estate Service Advisors (CRESA) Tenant's Guide for Seattle and Bellevue indicate the following average office rental rates. These quarterly rates point to the rapid increase in lease rates in the office market.

<u>SeattleCBD</u>	<u>Q3 2006</u>	<u>Q4 2006</u>	<u>Q1 2007</u>
Class A	\$29.00	\$30.00	\$32.00
Class B	\$24.00	\$25.00	\$27.00
<u>Seattle Suburban</u>			
Class A	\$27.00	\$28.00	\$29.00
Class B	\$23.00	\$24.00	\$25.00
<u>Bellevue CBD</u>			
Class A	\$29.00	\$29.50	\$31.75
Class B	\$22.85	\$23.00	\$24.75
<u>Suburban</u>			
Class A	\$24.15	\$25.10	\$29.25
Class B	\$21.94	\$22.40	\$26.25

NAI Puget Sound Properties Commercial Real Estate Services indicate the following office lease rates as of Year-End 2006. These statistics also include rates for new office construction.

Downtown Office	Low	High	Effective Avg.
<i>New Construction</i>	<i>\$35.00</i>	<i>\$44.00</i>	<i>\$38.00</i>
Class A	\$25.00	\$34.00	\$27.00
Class B	\$18.25	\$34.00	\$23.32

Suburban Office	Low	High	Effective Avg.
<i>New Construction</i>	<i>\$29.00</i>	<i>\$36.00</i>	<i>\$31.00</i>
Class A	\$19.75	\$40.22	\$26.00
Class B	\$18.00	\$34.00	\$23.30

GVA Kidder Mathews in their Mid-End 2006 “Seattle Real Estate Market Review” suggest a forecast for the Seattle CBD and surrounding market area for typical lease rates to be in the range of \$28 to \$40 per square foot (full service) for space in Class “A” buildings and the supply of space available will continue to diminish since there is little major office construction coming on line in the near-term. The Year-End 2006 Review states that the premier buildings are nearly 100% occupied with some leases approaching \$40 per square foot. The tightening of the Class A market has resulted in the 2007 new construction start of several planned office projects in the Seattle CBD/Downtown submarket. Class B and C rent growth has been rising due to low vacancy, but the rise is less dramatic than the rise of Class A office rates.

This same mid-year forecast suggests fully serviced annual rents to remain between \$26 and \$35 per sq. ft. for Class “A” space in the Bellevue CBD, and \$21 to \$26 for suburban areas. The Eastside has seen a rapid decrease in vacancy and a similar increase in rental rates. By year end the vacancy rates in both the Bellevue CBD and the 1-90 submarkets were below 5% and rental rates had increased by more than 20%. There are few options for users looking for spaces larger than 50,000 square feet. New construction space will not be available until 2008 and a large portion of that space has recently been leased to Microsoft.

The 2006 mid-year forecast for the South King County office market suggests fully serviced annual lease rates will remain between \$18 and \$22 per sq. ft. for Class “A” space and that the supply of space will remain high. The year end report indicates that the vacancy rate for the south county submarket had fallen by 200 basis points over the year. It also states that the high pricing and lack of space in the Seattle and Eastside markets should prompt more office users to consider the South King County market. Rent increases can be expected in late 2007 as vacancy continues to fall.

The year end report indicates that the 2006 year-end vacancy percentages for the Seattle office market has decreased from 12.4% at the end of 2005 to 8.8%. East King County dropped from 8.8% to 7.1%, and South King County decreased from 17.7% to 15.4%.

A direct vacancy rate assumption as opposed to an overall vacancy rate (overall includes sublease space available) assumption is used throughout the following analyses. The specific “norm” vacancy rate(s) will be indicated below in the brief description of the income parameters utilized in each of the six market segments. Properties which varied significantly from the “norm” rate were treated in a few different ways depending upon their unique situation. Higher capitalization rates and/or higher vacancy rates were recognized for some buildings. If an office property’s situation was deemed far inferior from the “norm” it might be valued via a discounted cash flow analysis thereby allowing recognition of the “extreme” vacancy situation.

Following are lists of published office cap rates for both the Seattle Metropolitan office market and the national office market:

<u><i>Seattle Metro Area Cap Rates</i></u>						
Source	Date	Location	Type	Range	Average	Remarks
CBRE	3 rd Qtr. 2006	King County	Office		6.00%	down from 7% at the end of 2005
Broderick Group	4 th Qtr. 2006	Seattle/Eastside Office/High Tech market	Office		6.23%	weighted average for all office product types – down from 7.3% in 2005
Marcus & Millichap Medical Office Research Report	Fall 2006	West/Pacific NW	Medical Office		low 6% range	report notes high appreciation in West/Pacific NW-Seattle medical office rents up 7%
Integra Realty Resources – Viewpoint 2007	1/1/06 to 12/01/06	Seattle Metropolitan area	CBD Office		6%	going-in cap rate – down from 6.50%-1 year earlier
			Suburban Office		6.5%	going-in cap rate – down from 7.5% - 1 year earlier
American Council of Life Insurance (Commercial Mortgage Commitments)	4 th Qtr. 2006	Seattle-Bellevue-Everett	Office		6.40%	Based on 5 fixed rate loans with \$211,650,000 total and an average loan size of \$42,330,000
GVA Kidder Mathews Seattle R.E. Mkt. Review	Year-end 2006	Seattle Metropolitan area	Class A Office		near 6.00%	Recent sales trading in the \$400 - \$500 /SF range
Real Capital Analytics	1 st Qtr. 2007	Seattle Metropolitan area	CBD >\$50m		6.10%	sales - past 12 mo
			CBD Office \$15-50 m		6.70%	sales - past 12 mo
			Sub. Office >\$50 m		6.00%	sales - past 12 mo
			Sub. Office \$15-50 m		6.30%	sales - past 12 mo

<u>National Office Cap Rates</u>						
Source	Date	Location	Type	Range	Average	Remarks
Emerging Trends in Real Estate 2007	July 2006	National	Downtown Office		6.44 %	investor survey by Urban Land Institute
			Suburban Office		7.07%	
Real Estate Capital Markets Survey	2 nd Qtr 2006	National	CBD Office		7.20%	www.erc.com
			Suburban Office		7.50%	
Korpacz – Investor Survey	4 th Qtr. 2006	National	CBD Office	4.5 – 9%	6.94%	down from 7.35% one year earlier
			Suburban Office	5- 10.5%	7.63%	down from 8.02% one year earlier
Real Estate Research Corp. (RERC)	3 rd Qtr. 2006	National	CBD Office		6.80%	Survey of initial capitalization rates
			Suburban Office		7.30%	
NCREIF	2 nd Qtr. 2006	National	Office		6.10%	based on appraised value of all properties in the NCREIF Property Index that were revalued during the quarter
CBRE Office Insight Mid Year 2006	2 nd Qtr 2006	National	Office		Sub 6%	source: Toto Wheaton Research Investment Database
Grubb & Ellis Capital Market Update 4th Qtr. 2006	4 th Qtr. 2006	National	CBD Office		6.30%	source: Real Capital Analytics- down 30 basis points from 4 th Qtr 2005
			Suburban Office		7.10%	Down 10 basis points from 4 th Qtr 2005
Cushman & Wakefield 16th Annual R. E.	Sept. 2006 year to date	National	Office		6.30%	Down from 7.4% in 2005 and 8% in 2004

Trends						
<u>National Office</u> <u>Cap Rates-</u>						
Source	Date	Location	Type	Range	Average	Remarks
American Council of Life Insurance (Commercial Mortgage Commitments)	4 th Qtr. 2006	National	Office		6.80%	Based on fixed loans (163 loans with an average loan size of \$13,408,000)
			Office- \$5m-\$15m loan size		7.30%	
			Office- \$15m-\$25m loan size		6.70%	
			Office- \$25m & over loan size		6.50%	
			Office- 50,000-100,000 SF		7.10%	
			Office- 100,001-200,000 SF		6.80%	
			Office- greater than 200,000 SF		6.60%	
Real Capital Analytics	1st Qtr 2007	National	Office		5.93%	weighted average - office sales over \$5,000,000

The published office capitalization rates indicate that the rates for the Seattle Metropolitan area/King County are generally lower than the national rates.

During the sales verification process an attempt is made to ascertain the capitalization rate on the sale or a pro-forma cap rate on the first year performance. Whenever possible information on the occupancy level, lease rates, tenancy terms, and expenses is collected to determine how the sale compares to economic parameters of the market and how the leased fee cap rate compares to a fee simple cap rate.

The following table shows the typical capitalization rates used in the 1/01/2007 revaluation of the properties in the office specialty:

Building Type & Market	Capitalization rate applied *
New Class A+ Seattle & Bellevue offices and offices built in Year 2000 or after	6.25 %
Class A Seattle & Bellevue CBD Offices – (high-rise, mid-rise, low-rise)	6.50% to 7.00%
Suburban Class A Seattle in-close & Eastside	6.75% to 7.5%
Class B Seattle & Bellevue	7% to 8%
Renovated Class B – Seattle CBD	6.5%
South County A & B	7.00% to 8.00%
Medical Office Buildings	6.50% to 7.00%

* The range of capitalization rates reflect the building quality and competitiveness with the lower rates applied to the higher quality office buildings. Higher rates are applied to the lesser quality office buildings or to properties that have higher than the normal sub-market vacancy, substantial sub-lease vacancy, or physical issues that require additional capital investment.

The following is a brief description of the income parameters utilized in each of the six market segments:

North: Full service lease rates ranged from \$22 - \$34 per square foot of rentable area. Vacancy and collection loss figures used in this area was 5%-10%, expenses \$8.50 - \$9.50/nra and overall capitalization rates were 6.25% to 7.25%. Values on a price per square foot of rentable area fell in the \$174 - \$390 range.

Seattle CBD & Adjacent Submarkets: Values on a price per square foot of rentable area fell in the \$90 - \$431 range. Lease rates ranged from \$17 - \$34 per square foot of rentable area. Vacancy and collection loss figures used in this area ranged from 5% - 20% with the majority typically being 5% – 10%, expenses ranged from \$7.50 - \$11/nra and overall rates ranged from 6.25% - 8.5% with the majority typically being 6.5% - 7.5%. A few properties included consideration of income from retail rents. This was considered for properties where the retail space represented approximately 5% or more of total NRA. The retail lease rate range utilized was \$20 - \$40/nra, triple net rent. The vacancy and collection loss figure for retail space ranged from 5% - 10% and the triple net expense rate was 5%.

Additionally, income from parking was considered. Income was based on an allocation of total parking spaces into daily and monthly rates. Monthly spaces were calculated as representing 67% of the total spaces while daily spaces accounted for the remaining 33%. The 2006 Parking Inventory for Seattle and Bellevue prepared by the Puget Sound

Regional Council was utilized as a basis for establishing parking and occupancy rates in the various neighborhoods in Downtown Seattle and Downtown Bellevue. No turnaround on the daily spaces was recognized. A parking expense rate of 10 – 25% was applied to parking income to arrive at a net parking income contribution figure. An expense survey by the Seattle CBD geo-appraiser indicates that the older stand-alone parking garages incur higher expenses.

The following is a description of the parking income parameters used in the income approach to valuation for Downtown Seattle properties.

Seattle CBD			
<u>Neighborhood</u>	<u>Daily Rate</u>	<u>Monthly Rate</u>	<u>Occupancy</u>
1	\$16.38	\$159.69	34.4%
2	\$13.94	\$117.08	67.0%
3	\$12.67	\$157.50	76.4%
4	\$19.00	\$213.72	75.1%
5	\$25.24	\$234.02	67.9%
6	\$14.44	\$178.14	74.2%
7	\$21.05	\$237.80	71.6%
8	\$20.76	\$257.44	66.2%
9	\$10.91	\$173.50	50.2%
10	\$12.05	\$140.71	70.7%
11	\$9.80	\$138.00	66.0%
12	\$11.15	\$179.24	67.3%
13	\$10.19	\$177.41	72.2%
Lower Queen Anne			
<u>Neighborhood</u>	<u>Daily Rate</u>	<u>Monthly Rate</u>	<u>Occupancy</u>
17	\$6.75	\$150.00	58.3%
18	\$6.37	\$65.00	34.9%
19	\$7.90	\$101.40	53.1%

Bellevue CBD: Values on a price per square foot of net rentable area fell in the \$170 - \$395 range. Lease rates ranged from \$21 - \$34 per square foot of rentable area, with the majority of rents falling in the \$23 - \$28 per square foot range. One property included consideration of income from retail rents. The retail lease rate utilized was \$25/nra, triple net rent with a 5 % vacancy and collection loss assumption and operating expenses of 5%. It is unusual for office buildings in this segment to have significant retail space included. Vacancy and collection loss figures used in this area were 5% - 10%, expenses ranged from \$9- \$10.50/nra and overall rates ranged from 6.25% - 7.5% with most at 6.5% - 7%.

Additionally, income from parking was considered. Income was based on an allocation of total parking spaces into daily and monthly rates. Monthly spaces were calculated as representing 67% of the total spaces while daily spaces accounted for the remaining 33%. The 2006 Parking Inventory for Seattle and Bellevue prepared by the Puget Sound Regional Council was utilized as a basis for establishing parking and occupancy rates in the various neighborhoods in Downtown Seattle and Downtown Bellevue. No turnaround on the daily spaces was recognized. A parking expense rate of 10% - 25% was applied to parking income to arrive at a net parking income contribution figure.

Bellevue CBD			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
1	\$14.00	\$135.00	56.8%
2	\$12.00	N/A	65.2%
3	\$14.64	\$121.23	49.9%
4	\$12.90	\$130.67	58.2%

Suburban Eastside: Lease rates ranged from \$21 - \$32 per square foot of net rentable area, with the majority of rents falling in the \$23 - \$25 per square foot range. Vacancy and collection loss figures used in this area were 5% - 8%, and expenses \$8.00 - \$10.50/nra with the majority falling in the \$8.50 - \$9.50 range. Overall rates were 6.75% - 7.5%, with the exception of Carillon Point where 6.5% was applied. Parking was not analyzed as an additional income contributor as parking has typically been included at no charge. Values on a price per square foot of net rentable area fell in the \$159 - \$296 range.

South End: Renton, Tukwila, Southcenter, Kent, SeaTac, and Federal Way - Lease rates ranged from \$17.50 - \$27.50 per square foot of rentable area with the majority at \$19 - \$22. Vacancy and collection loss figures used in this area were 10% - 20% with the majority at 10%. Expenses in the Southend submarkets were \$6.50 - \$8.50. Overall rates in the Southend were 7.00% - 8.5% with most at 7.00%. In general, values on a price per square foot of net rentable in the South County office market fell in the \$91 - \$232 range.

Medical Office Buildings: Values on a price per square foot of net rentable area fell in the \$146 - \$354 range. Full service lease rates ranged from \$21 - \$33 per square foot of net rentable area. Vacancy and collection loss figures in this segment were 5% - 15% and expenses ranged from \$9.50 - \$12/nra. Overall rates ranged from 6.25% - 8% with most at 6.5%.

Parking income contributions were included depending upon the location of the property. Downtown Seattle, First Hill and the University District locations included recognition of this income. Income was based on an allocation of total parking spaces into daily and monthly rates. Monthly spaces were calculated as representing 67% of the total spaces

while daily spaces accounted for the remaining 33%. The 2006 Parking Inventory for Seattle and Bellevue prepared by the Puget Sound Regional Council was utilized as a basis for establishing parking rates in the these neighborhoods. A parking expense rate of 10% was applied to parking income to arrive at a net parking income contribution figure.

First Hill			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
14	\$13.53	\$153.13	72.2%
15	\$10.92	\$111.17	86.5%
16	\$11.40	\$100.29	74.2%
University District			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
1	\$6.40	\$74.00	55.9%
2	\$7.13	\$91.60	65.3%
3	\$9.57	\$79.17	63.6%
4	\$10.00	\$80.00	59.60%

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

Each parcel was individually reviewed by the specialty appraiser for correctness of the model application before the final value was selected. The income approach to valuation is given greatest weight in the final analysis due to the information available.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

Application of the total value model described above results in the following standard statistical measures of valuation performance and uniformity: the C.O.D. is 10.45%, the C.O.V. is 13.77%, and the P.R.D is 1.02. In addition, the resulting assessment level improved from 78.2% to 92.6 %. These measures all indicate an improvement with the exception of the Price-related Differential which did not change. They are presented in the 2007 Ratio Analysis chart included in this report. As discussed, some of the sales exhibit a value difference between the leased fee and the fee simple interests due to rental rates in place that are higher or lower than current prevailing rates. Therefore the ratio analysis of sales should not be considered a completely reliable gage of assessment performance.

Application of these recommended values for the 2007 assessment year results in an total change from the 2006 assessments of +21.80 %. This increase is due to upward market changes over 2006 previous assessment levels, and new construction. The total assessed value for the 2006 assessment year was \$10,442,228,119 and the total recommended assessed value for the 2007 assessment year is \$12,718,734,500.

Improved Sales for Area 280 Used

BELLEVUE CBD SALES

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP NRA /	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	292505	9271	480,392	2050929	\$134,083,573	06/19/04	\$279	112 th @ 12th	CBD-OLB	1	2	13% vacant at sale with most of space under negotiation at sale
280	154410	0320	305,800	2110979	\$140,246,000	03/28/05	\$459	CIVICA OFFICE COMMONS	CBD-MU	1	2	0% vacancy, average lease rate in place of \$39/sf, mostly 7-10 yr leases, <i>first of 2 sales NOT IN RATIO STUDY</i>
280	322505	9134	147,384	2133288	\$38,488,580	06/24/05	\$260	LINCOLN PLAZA	OLB	1	2	1% vacancy with 30,000 SF of Microsoft sublease rollover in 1/06, \$16 NNN asking rates
80	154410	0323	93,958	2123535	\$22,150,000	05/17/05	\$231	KEY BANK BLDG.	CBDO2	1	2	NOT IN SPECIALTY (too small) 24% vacant at sale, \$22-26 asking rates
280	322505	9016	408,460	2183749	\$129,778,102	01/26/06	\$318	SKYLINE TOWER	CBDO1	1	2	7% vacant on 1/01/06, \$28.50 - \$32.50 asking rates
280	154410	0320	305,800	2240310	\$175,743,064	03/28/05	\$575	CIVICA OFFICE COMMONS	CBD-MU	1	2	0% vacancy, average rent \$31 N, Microsoft & other blue chip tenants

Verification Code # 2 indicates a market sale

SUBURBAN EASTSIDE SALES

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP NRA /	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
85	246540	0080	70,019	2074876	\$16,270,000	10/05/04	\$232	LAKE WASHINGTON PARK	PR3.6	1	2	unobstructed view location, 43% occupied at time of sale, NOT IN SPECIALTY (too small);
75	128362	0010	141,590	2121826	\$27,550,000	05/10/05	\$195	EASTGATE OFFICE PARK III & IV	OLB	1	2	10-15% vacancy at sale, \$15-17 NNN asking rates, multiple bldgs under office specialty size – NOT IN SPECIALTY
280	531510	1015	152,493	2177485	\$39,550,000	12/22/05	\$259	FARMERS NEW WORLD LIFE INSURANCE CO.	TC	1	2	NOT IN RATIO STUDY - Leaseback to seller for 15 yrs
280	697920	0050	193,454	2179635	\$45,345,000	12/22/05	\$234	PLAZA at NORTH CREEK BLDGS.	MU	1	2	NOT IN RATIO STUDY – leaseback of 47% of SF to seller thru 2015
85	124870	0135	75,129	2271658	\$27,050,000	03/14/07	\$360	CONTINENTAL PLAZA	CBD5	1	2	NOT IN SPECIALTY (too small); 66% occupied at time of sale, \$23.50 NNN asking rates, \$7.50/sf expenses

Verification Code # 2 indicates a market sale

SOUTHEND SALES

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP NRA /	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	334040	3341	238,140	2021364	\$10,000,000	02/27/04	\$42	EAST VALLEY OFFICE CENTER I & II (LANDMARK EAST & WEST)	CO	3	2	Flashcube" Bldgs.- vacant 2 yrs – renovation since sale – first of two sales - NOT IN RATIO STUDY
55	926501	0130	46,984	2023068	\$8,300,000	03/09/04	\$177	ABAM BUILDING	OP	1	2	NOT IN SPECIALTY (too small),
55	797820	0535	65,067	2083203	\$15,560,000	11/12/04	\$239.14	FEDERAL WAY CENTER	CC	1	2	NOT IN SPECIALTY (too small)
280	926500	0060	100,140	2177513	\$11,172,000	12/23/05	\$112	WEST CAMPUS BLDG.	MP	1	2	Seller was sole occupant and will lease back for 1 yr at \$12.50 Net - then 100% vacant - leaseback NOT IN RATIO STUDY
280	334040	3320 3340 3441	273,903	2186102	\$31,207,243	02/21/06	\$114	LANDMARK EAST & WEST BLDGS.	CO	3	2	West Bldg renovated with 25% vac and \$10-12 N leases in place, East is vacant with \$14.50-\$15 N asking rates
280	192305	9076 9013 9095	269,247	2197871	\$46,995,000	04/06/06	\$175	SOUTHGATE OFFICE PLAZA I & II	CO	3	2	100% leased at sale with buyer/tenant expanding by 49,000 SF, \$21 - \$22 asking rents
280	012204	9012	218,586	2220822	\$40,250,000	07/06/06	\$184	CREEKSIDE AT CENTERPOINT	M1	1	2	28% vac and \$14- \$16 N asking rates, \$8/sf expenses at time of sale,
280	262304	9143 9144	191,879	2239911	\$28,730,000	09/28/06	\$150	SOUTHCENTER CORPORATE SQUARE	TUC	2	2	26% vac with \$13 N asking rates & \$6.70/sf expenses at time of sale
280	012204 189570	9110 0010 0020 0030	433,170	2243954	\$77,500,000	10/17/06	\$179	CENTERPOINT- ATRIUM, CASCADE E, CASCADE W, & RETAIL	M1	4	2	68% occupied with asking rates of \$14 - \$15 N at time of sale (sale includes 3 office bldgs & retail bldg)
280	334040	4000	201,448	2259309	\$28,844,360	01/04/07	\$143	VALLEY OFFICE PARK	CO	1	2	15% vac with \$19-\$21 full service asking rates at time of sale, FAA occupies 80,000, buyer/user is Providence Health System, NOT IN RATIO STUDY after value date

Verification Code # 2 indicates a market sale

SEATTLE CBD SALES

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	069700	0235	237,162	2037591	\$32,999,000	05/10/04	\$139	BLANCHARD PLAZA	DMC 240	1	2	16% vacant - <i>first of 2 sales NOT IN RATIO STUDY</i>
280	224950	0235 0490	206,142	2067223	\$63,980,000	09/01/04	\$310	1000 & 1100 DEXTER BLDGS.	C2-65	5	2	95% leased at sale
280	094200	0365	536,944	2077649	\$100,729,853	10/19/04	\$187	UNION BANK OF CALIFORNIA BLDG	DOC1-450	1	2	26% direct vacancy at time of sale, new res tower after sale – <i>NOT IN RATIO STUDY</i>
280	197520	0005	167,534	2085380	\$19,179,793	11/22/04	\$114	SEATTLE TOWER	DOC1-450	1	2	16% vacant at time of sale - <i>first of 2 sales NOT IN RATIO STUDY</i>
280	094200	0345	845,533	2092558	\$340,745,187	12/27/04	\$403	IDX TOWER	DOC1-450	5	2	96% leased, mix of high, long-term leases & current mkt leases in place at time of sale
280	210770	0210	100,082	2092491	\$29,000,000	12/27/04	\$290	1551 EASTLAKE	IG1 –U/45	1	2	100% occupied by single tenant – buyer may convert to biotech when lease ends
280	093900	0335	295,515	2100265	\$52,450,000	02/07/05	\$177	EXCHANGE BLDG	DOC2-240	1	2	11 % vac, \$5m renov.
280	763420	0005	707,949	2119412	\$162,809,049	04/29/05	\$230	1001 FOURTH AVENUE BLDG.	DOC1-450	1	2	12% vac at sale, 44% at end of 05, buyer to spend \$30m renovating
280	919590	0010	174,812	2121778	\$41,999,000	05/10/05	\$240	WATERFRONT PLACE	DMC 160	1	2	25% vacant at sale, \$22-26 rates at sale - <i>first of 2 sales NOT IN RATIO STUDY</i>
30	197720	0020	97,701	2144483	\$23,646,550	08/04/05	\$242	FIRST & STEWART	DMC 125	1	2	26% vacant at sale, not in specialty (too small)
280	197670	0185	310,628	2163231 2163234	\$81,829,254	10/20/05	\$263	PARK PLACE	DOC1 U/450U	1	2	18.5% vacant at sale, \$24.50 asking rate, por of 4 bldg sale
280	066000	2054	339,868	2163227	\$87,890,465	10/20/05	\$259	METROPOLITAN PARK WEST	DMC 340/290-400	1	2	6% vacant at sale, \$25-27 asking rates, por of 4 bldg sale
280	066000	2410	363,727	2163222	\$94,973,695	10/20/05	\$261	METROPOLITAN PARK WEST	DMC 340/290-400	1	2	19% vacant at sale, \$25-27 asking rates, por of 4 bldg sale
280	066000	2381	185,760	2163216	\$79,898,612	10/20/05	\$430	METROPOLITAN PARK NORTH	DMC 240/290-400	1	2	100% occupied, \$27.50 N asking rate, por of 4 bldg sale - <i>first of 2 sales NOT IN RATIO STUDY</i>

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP NRA /	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	766620	2133 2110 2080	298,236	2176032	\$117,125,000	12/16/05	\$393	ELLIOTT WEST BLDGS	IC - 45	3	2	100% leased at sale, long term NNN leases in place
280	065900	0305	286,437	2184142	\$83,675,000	02/03/06	\$292	720 OLIVE WAY	DOC 2 500/300-500	1	2	20% vacant at sale, \$23-27 asking rates
280	069700	0235	237,162	2195629	\$61,325,000	03/29/06	\$259	BLANCHARD PLAZA	DMC 340/290-400	1	2	10% vacant at sale, \$22.50 – 26 asking rates
280	066000	2381	185,760	2195412	\$88,429,000	03/28/06	\$476	METROPOLITAN PARK NORTH	DMC 240/290-400	1	2	100% leased, \$27.50 NNN asking rates, high parking income
280	093900	0060	248,481	2198041	\$42,827,120	04/06/06	\$167	SMITH TOWER	PSM-100	1	2	13% vacant at sale, \$22-28 asking rates, \$20,000,000 seismic & upgrades in 2000
280	766620	6895	204,504	2197584	\$26,687,546	04/04/06	\$140	83 KING STREET	Psm-85-120	1	2	97% leased at sale, \$18-23 asking rates, buyer leased 45,000 SF prior to sale
280	197570	0340	121,075	2199035	\$23,098,000	04/12/06	\$191	JOSEPH VANCE & STERLING BLDGS	DRC 85-150	1	2	20% office vac at sale, retail fully leased \$17-22 office asking rates, \$20-45 NNN retail
280	197720	0280	125,055	2210573	\$55,994,000	05/31/06	\$448	MARKET PLACE I & II	PMM-85	1	2	6% vac with asking rents of \$25-\$30/sf at time of sale, high pkg income and ex views
280	919590	0010	178,269	2220226	\$64,500,000	06/26/06	\$362	WATERFRONT PLACE OFFICE	DMC-160	1	2	24% vac with asking rates of \$25-\$32/sf at time of sale
280	093900	0260	313,380	2226477	\$81,100,000	07/21/06	\$259	DEXTER HORTON BLDG.	DMC 340/290	1	2	6% vac with asking rates of \$24-\$28/sf at time of sale, seismic and other renovation for \$20 m in 2001
280	197520	0005	161,412	2226477	\$36,090,000	08/01/06	\$224	SEATTLE TOWER	DOC1 U/450	1	2	6% vac with asking rates of \$24-\$30/sf at time of sale, \$3m in renovations after 11/04 sale
280	065300	0250 0270	331,943	2234296	\$107,500,000	08/24/06	\$324	SEATTLE TRADE CENTER	DH2/65	2	2	100% occupied at time of sale by Real Networks & Art Institute – leased to 2011 & 2013, \$16m conversion from apparel mart to tech-advanced office in 1998 – unobstructed waterfront views
280	701535	0020	151,250	2242861	\$32,291,975	10/02/06	\$214	QUEEN ANNE SQUARE	NC3-65	1	2	10% direct vac & 27% total vac with \$23/sf asking rates at the time of sale

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP NRA /	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	066000	1255		2236241	\$15,000,000	09/12/06		1915 TERRY BLDG	DMC 340/290	1	2	100% vac at sale, purchased for land for residential towers but instead will be purchased & renovated to Children's Med Center for research facility
280	114200	0280 0290 0300 0425 0050 0225 0445 674670	417,015 sf in Safeco Tower & Plaza 511,000 sf total in all bldgs	2239287	\$130,000,000	09/27/06	\$220/sf rentable in all bldgs	SAFECO TOWER SAFECO PLAZA PARKING GARAGE & OTHER PROPERTIES	NC3-85	8	2	Owner occupied by Safeco which will leaseback for 2007, <i>sale includes non office properties & land – NOT IN RATIO STUDY</i>
280	197720	0040	112,889	2273455	\$23,096,200	03/21/07	\$205	BROADACRES BLDG.	DMC 240/290	1	2	93% leased with \$22-\$25/sf asking rates at the time of sale, por of 4 bldg sale, price based on DCF, <i>after 1/01/07 valuation date – NOT IN RATIO STUDY</i>
280	093900	0335	295,515	2278251	\$80,600,000	04/17/07	\$273	EXCHANGE BLDG.	DMC 340/290	1	2	100% leased with \$30-\$34/sf asking rates at the time of sale, 96,000 sf will be available 3 mos after sale, <i>after 1/01/07 value date – NOT IN RATIO STUDY</i>

Verification Code # 2 indicates a market sale

NORTHEND SALES

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
010	292604	9490	83,361	2026413	\$11,996,023	03/25/04	\$144	NORTHWAY SQUARE WEST BLDG.	C1-85	1	2	NOT IN SPECIALTY (too small)
280	197320	0385 0387	297,228	2090121	\$65,751,000	12/15/04	\$221	ADOBE & PLAZA BLDGS	IC-65	2	2	Bldg 1 fully leased to Adobe until 2010, Plaza Bldg 15% vac with asking rates of \$24 at time of sale, <i>sale does not include land –NOT IN RATIO STUDY</i>
280	114200	0530 0550	223,216	2156275	\$94,500,000	09/03/05	\$423	ROOSEVELT COMMONS	NC3 85	2	2	99% leased at sale to 2 tenants, long-term NNN leases in place

Verification Code # 2 indicates a market sale

MEDICAL OFFICE BUILDINGS

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	197820	0625	251,903	2090796	\$58,879,628	12/14/04	\$234	1101 MADISON TOWER	M10-70-NC3-160	1	2	98% occupied, <i>sale does not include ld, NOT IN RATIO STUDY</i>
280	219760	0250	130,864	2090807	\$31,500,000	12/14/04	\$241	600 BROADWAY MEDICAL CENTER	M10-85-NC3-85	1	2	86% occupied, <i>sale does not include ld, NOT IN RATIO STUDY</i>
280	065900	0085	292,000	2143751	\$38,488,750	08/01/2005	\$132	MEDICAL DENTAL BLDG		1	2	75% leased at sale, \$16-24 med, \$45-55 NNN retail

Verification Code # 2 indicates a market sale

Improved Sales for Area 280 Not Used

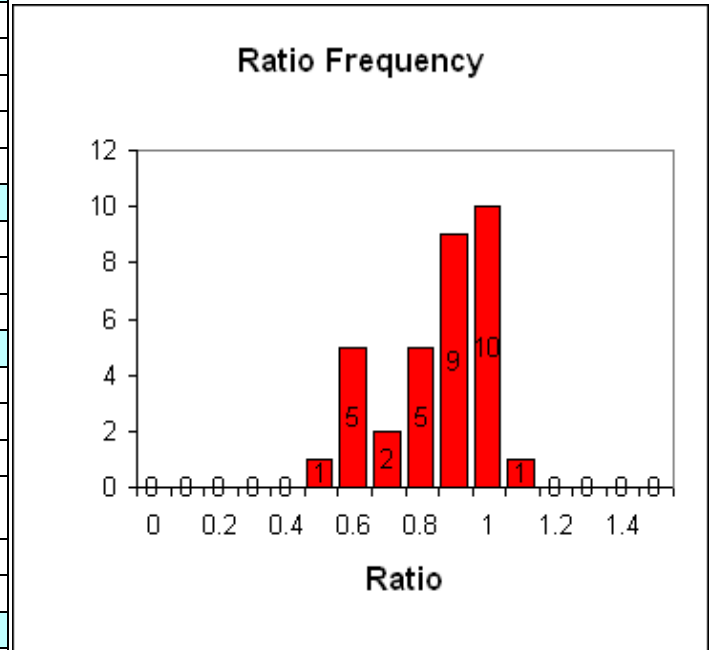
Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP/ NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	094200	0365	475,000	2077648	\$20,000,000	10/19/04	\$42.11	BANK OF CALIFORNIA BLDG	DOC1-45	1	22	Partial interest-sale amount included with other sale for total of \$100,729,853
280	197520	0015	150,055	2112048	\$21,000,000	03/29/05	\$139.95	SEATTLE TELECOM - 1200 3RD AVENUE	DOC1-45	1	13	REO sale from lending institution
280	093900	0080	123,111	2145812	\$8,500,000	08/09/05	\$69.04	ALASKA BLDG	PSM-100	1	16	Government agency
280	197670	0185	310,628	2163234	\$3,502,292	10/20/05	\$11.27	PARK PLACE OFFICE BLDG	DOC1-450	1	22	Partial interest - sale amount included with other sale for total of \$81,829,254
280	794260	0330	307,524	2281008	\$739,920	04/25/07	\$2.41	JAMES TOWER	MIO-105	1	22	Partial interest sale
280	065900	0040	335,850	2253288	\$2,708,119	11/30/06	\$8.06	WESTLAKE TOWER	DRC 85-150	1	33	Lease or lease-hold
280	093900	0435	940,648	2279590	\$402,966,200	04/10/07	\$428	WELLS FARGO BLDG.	DOC1-450	1		Portion of portfolio sale – after 1/01/07 value date
280	610845	0010, 20, 30, 45, 55, 80, 90, 124, 140, 150	98,782	2279596	\$40,000,000	04/10/07	\$405	ELMER J. NORDSTROM MEDICAL TOWER	MIO-200	10		Portion of portfolio sale – after 1/01/07 value date

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP/ NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	094200	0025 0030	479,889	2279578	\$230,000,000	04/10/07	\$479	2 ND & SENECA BLDGS.	DOC1-450	2		Portion of portfolio sale – after 1/01/07 value date
280	094200	0050	554,945	2279597	\$240,000,000	04/10/07	\$432	1111-3 RD AVE BLDG.	DOC1-450	1		Portion of portfolio sale – after 1/01/07 value date
280	094200	0640	1,546,614	2279586	\$621,000,000	04/10/07	\$402	COLUMBIA CENTER	DOC1-450	1		Portion of portfolio sale – after 1/01/07 value date
280	292505	9357 9358 9048	473,392	2279582	\$156,208,181	04/10/07	\$330	US BANK PLAZA, PLAZA CENTER , PKG GARAGE	DNTNO-2	3		Portion of portfolio sale – after 1/01/07 value date
280	322505	9066	468,069	2279574	\$203,800,613	04/10/07	\$435	CITY CENTER BELLEVUE	DNTNO-2	1		Portion of portfolio sale – after 1/01/07 value date
280	322505	9181	224,725	2279580	\$80,000,000	04/10/07	\$356	110 ATRIUM BLDG.	DNTN-MU	1		Portion of portfolio sale – after 1/01/07 value date
280	600950	0035	147,802	2279583	\$49,112,479	04/10/07	\$332	PLAZA EAST	DNTN-MU	1		Portion of portfolio sale – after 1/01/07 value date
280	066287	0010	111,257	2279588	\$37,500,000	04/10/07	\$337	BELLEVUE GATEWAY BLDG.	OLB	1		Portion of portfolio sale – after 1/01/07 value date
280	531510	0546	101,617	2279598	\$42,000,000	04/10/07	\$413	ISLAND CORPORATE CENTER	TC	1		Portion of portfolio sale – after 1/01/07 value date
280	128360	0060	258,143	2279576	\$75,754,805	04/10/07	\$293	EASTGATE OFFICE PARK	O	1		Portion of portfolio sale – after 1/01/07 value date
280	813530	0060 0070 0080 0090 0100 0110	447,902	2279585	\$176,122,693	04/10/07	\$393	SUNSET NORTH BLDGS 3, 4, 5, PKG GARAGE & WETLANDS	OLB	6		Portion of portfolio sale – after 1/01/07 value date

Sales Ratio Study Using 1/1/06 Assessed Values

Quadrant/Crew: Central Crew	Lien Date: 1/1/2006	Date: 6/5/2007	Sales Dates: 6/29/04 - 10/12/06
Area 280	Appr ID: DMAR	Prop Type: Improvement	Trend used?: Y / N N

SAMPLE STATISTICS	
Sample size (n)	33
Mean Assessed Value	61,344,000
Mean Sales Price	78,395,700
Standard Deviation AV	51,592,231
Standard Deviation SP	62,160,414
ASSESSMENT LEVEL	
Arithmetic mean ratio	0.798
Median Ratio	0.829
Weighted Mean Ratio	0.782
UNIFORMITY	
Lowest ratio	0.4342
Highest ratio:	1.0502
Coeffient of Dispersion	14.67%
Standard Deviation	0.1544
Coefficient of Variation	19.34%
Price-related Differential	1.02
RELIABILITY	
95% Confidence: Median	
Lower limit	0.755
Upper limit	0.910
95% Confidence: Mean	
Lower limit	0.746
Upper limit	0.851
SAMPLE SIZE EVALUATION	
N (population size)	202
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.1544
Recommended minimum:	32
Actual sample size:	33
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	13
# ratios above mean:	20
z:	1.044465936
Conclusion:	Normal*
*i.e., no evidence of non-normality	



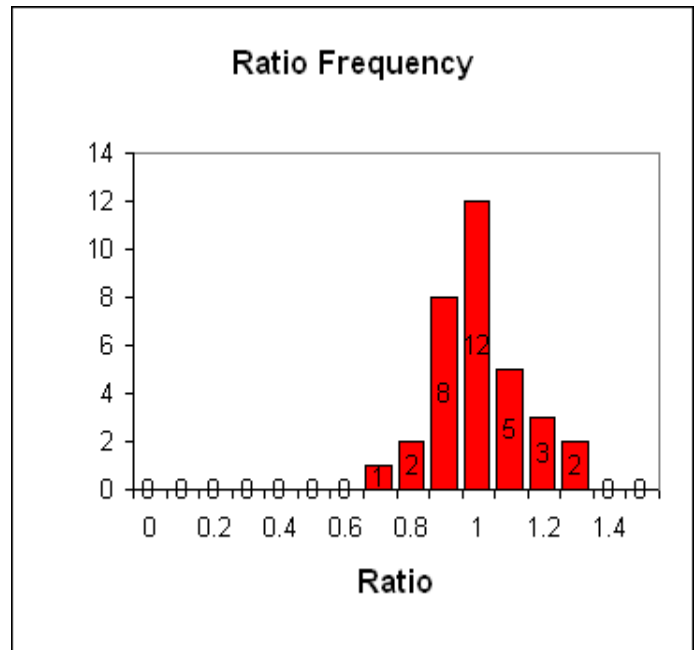
These figures reflect measurements before posting new values.

<i>Parcel Number</i>	<i>Assessed Value</i>	<i>Sale Price</i>	<i>Sale Date</i>	<i>Ratio</i>	<i>Diff: Median</i>
012204-9012	30,743,000	40,250,000	7/6/2006	0.7638	0.0655
012204-9110	49,828,000	77,500,000	10/17/2006	0.6429	0.1863
065300-0250	46,676,100	107,500,000	8/24/2006	0.4342	0.3951
065900-0085	37,665,000	38,488,750	8/1/2005	0.9786	0.1493
065900-0305	63,176,300	83,650,000	1/31/2006	0.7552	0.0740
066000-1255	15,753,300	15,000,000	9/12/2006	1.0502	0.2209
066000-2054	72,885,700	87,890,465	10/20/2005	0.8293	0.0000
066000-2381	69,279,700	88,429,000	3/28/2006	0.7834	0.0458
066000-2410	80,223,000	94,973,695	10/20/2005	0.8447	0.0154
069700-0235	43,603,100	61,324,000	3/29/2006	0.7110	0.1183
093900-0060	39,159,000	42,827,120	4/5/2006	0.9144	0.0851
093900-0260	47,589,200	81,100,000	7/21/2006	0.5868	0.2425
093900-0335	50,721,800	52,450,000	2/7/2005	0.9671	0.1378
094200-0300	161,103,600	162,809,050	4/29/2005	0.9895	0.1602
094200-0345	283,527,500	340,745,187	12/21/2004	0.8321	0.0028
114200-0530	81,861,400	94,500,000	9/21/2005	0.8663	0.0370
154410-0320	94,096,100	175,743,064	9/25/2006	0.5354	0.2939
192305-9013	43,776,600	46,995,000	4/5/2006	0.9315	0.1022
197520-0005	20,770,700	36,090,000	8/1/2006	0.5755	0.2538
197570-0340	21,360,200	23,098,000	4/12/2006	0.9248	0.0955
197670-0185	69,058,900	81,829,254	10/20/2005	0.8439	0.0147
197720-0280	31,617,500	55,994,400	5/31/2006	0.5647	0.2646
210770-0210	28,308,900	29,000,000	12/27/2004	0.9762	0.1469
224950-0490	58,236,500	63,980,000	9/1/2004	0.9102	0.0810
262304-9143	21,084,000	28,730,000	9/27/2006	0.7339	0.0954
292505-9271	118,371,400	134,083,573	6/29/2004	0.8828	0.0535
322505-9016	105,050,700	129,778,102	1/26/2006	0.8095	0.0198
322505-9134	31,134,000	38,488,580	6/24/2005	0.8089	0.0204
334040-3341	29,370,200	31,207,243	2/9/2006	0.9411	0.1119
701535-0020	22,061,600	32,291,975	10/12/2006	0.6832	0.1461
766620-2080	93,796,200	117,125,000	12/16/2005	0.8008	0.0285
766620-6895	26,176,500	28,687,546	4/4/2006	0.9125	0.0832
919590-0010	36,285,800	64,500,000	6/26/2006	0.5626	0.2667

Sales Ratio Study Using 1/01/07 Recommended Assessed Values

Quadrant/Crew: Central Crew	Lien Date: 1/1/2007	Date: 6/5/2007	Sales Dates: 6/29/06 - 10/12/06
Area 280	Appr ID: DMAR	Prop Type: Improvement	Trend used?: Y / N N

SAMPLE STATISTICS	
Sample size (n)	33
Mean Assessed Value	72,559,300
Mean Sales Price	78,395,700
Standard Deviation AV	56,139,114
Standard Deviation SP	62,160,414
ASSESSMENT LEVEL	
Arithmetic mean ratio	0.948
Median Ratio	0.938
Weighted Mean Ratio	0.926
UNIFORMITY	
Lowest ratio	0.6873
Highest ratio:	1.2604
Coeffient of Dispersion	10.45%
Standard Deviation	0.1306
Coefficient of Variation	13.77%
Price-related Differential	1.02
RELIABILITY	
95% Confidence: Median	
Lower limit	0.887
Upper limit	0.984
95% Confidence: Mean	
Lower limit	0.904
Upper limit	0.993
SAMPLE SIZE EVALUATION	
N (population size)	202
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.1306
Recommended minimum:	24
Actual sample size:	33
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	18
# ratios above mean:	15
z:	0.348155312



These figures reflect measurements after posting new values. All the sales that were leased reflect the leased fee. Some of these sales may exhibit a value difference between the leased fee and the fee simple interests due to the rental rates in place being higher or lower than the current prevailing rates.

Conclusion:	Normal*
*i.e., no evidence of non-normality	

Parcel Number	Assessed Value	Sale Price	Sale Date	Ratio	Diff: Median
012204-9012	33,412,400	40,250,000	7/6/2006	0.8301	0.1081
012204-9110	66,352,100	77,500,000	10/17/2006	0.8562	0.0821
065300-0250	79,725,200	107,500,000	8/24/2006	0.7416	0.1966
065900-0085	42,833,000	38,488,750	8/1/2005	1.1129	0.1747
065900-0305	75,605,900	83,650,000	1/31/2006	0.9038	0.0344
066000-1255	18,905,900	15,000,000	9/12/2006	1.2604	0.3222
066000-2054	84,724,100	87,890,465	10/20/2005	0.9640	0.0258
066000-2381	79,979,100	88,429,000	3/28/2006	0.9044	0.0338
066000-2410	93,445,800	94,973,695	10/20/2005	0.9839	0.0457
069700-0235	52,028,900	61,324,000	3/29/2006	0.8484	0.0898
093900-0060	40,181,200	42,827,120	4/5/2006	0.9382	0.0000
093900-0260	65,086,600	81,100,000	7/21/2006	0.8025	0.1357
093900-0335	65,467,900	52,450,000	2/7/2005	1.2482	0.3100
094200-0300	183,955,600	162,809,050	4/29/2005	1.1299	0.1917
094200-0345	302,073,800	340,745,187	12/21/2004	0.8865	0.0517
114200-0530	86,920,700	94,500,000	9/21/2005	0.9198	0.0184
154410-0320	120,781,600	175,743,064	9/25/2006	0.6873	0.2510
192305-9013	47,823,000	46,995,000	4/5/2006	1.0176	0.0794
197520-0005	31,325,000	36,090,000	8/1/2006	0.8680	0.0702
197520-0005	21,747,600	23,098,000	4/12/2006	0.9415	0.0033
197570-0340	77,711,700	81,829,254	10/20/2005	0.9497	0.0115
197670-0185	44,549,000	55,994,400	5/31/2006	0.7956	0.1426
197720-0280	32,180,200	29,000,000	12/27/2004	1.1097	0.1714
210770-0210	65,557,000	63,980,000	9/1/2004	1.0246	0.0864
224950-0490	24,688,300	28,730,000	9/27/2006	0.8593	0.0789
262304-9143	139,994,300	134,083,573	6/29/2004	1.0441	0.1059
292505-9271	125,533,400	129,778,102	1/26/2006	0.9673	0.0291
322505-9016	35,603,900	38,488,580	6/24/2005	0.9251	0.0132
322505-9134	33,285,100	31,207,243	2/9/2006	1.0666	0.1284
334040-3341	29,749,800	32,291,975	10/12/2006	0.9213	0.0169
701535-0020	111,953,800	117,125,000	12/16/2005	0.9558	0.0176
766620-2080	29,156,400	28,687,546	4/4/2006	1.0163	0.0781
919590-0010	52,120,100	64,500,000	6/26/2006	0.8081	0.1302

